

# The Elderly Exemptions And the Qualifications For Eligibility-FY2009

- Clause 41D

Clause 41D will allow the qualified applicant a **\$500.00-\$750.00** exemption from annual real estate taxes. This exemption must be filed for every year, and the applicant must meet the state-mandated qualifications to be eligible. This exemption also does not place any type of lien against the property of the applicant. The requirements for this year, Fiscal Year 2007 are as follows:

- A. The Applicant must be an owner and have been domiciled in the property for the last five years, and have been domiciled in the Commonwealth of Massachusetts for the last ten years.
- B. The applicant must have reached **65** years of age on or about July 1<sup>st</sup> of the year for which the exemption is being applied.
- C. The maximum gross income for the preceding year for a single individual may not exceed **\$22,371.00** from all sources. The maximum gross income for the preceding year for a couple may not exceed **\$27,249.00** from all sources including Social Security.
- D. The final requirement bases itself on the whole estate of the applicant. An individual's whole estate, excluding their domicile even if it is a two family, which includes stocks, bonds, money market accounts, etc., may not exceed a grand total of **\$39,428.00**. The whole estate of a couple, using the same above-mentioned criteria, may not exceed **\$42,069.00**.

In order for any applicant to qualify for the exemption, all of the above requirements must be satisfied. This exemption is also available to individuals, who have placed their home in a life estate, or when the property is in a trust and the applicant is designated as the primary beneficiary of the trust and is a designated trustee. All first time applicants will be asked to submit a copy of their last year's IRS 1040. If their income is too low, an affidavit witnessed by a Notary Public, stating that they did not file an IRS 1040 must accompany the application as well as a copy of their birth certificate. If the property is in a trust a copy of the recorded Trust must also be submitted.

For those seniors over 70 who cannot meet the requirements of Clause 41D, due to income, there is another exemption available:

## • CLAUSE 17E

Clause 17E will allow the qualified applicant a **\$175.00-\$396.47** exemption from annual real estate taxes. This exemption, again, must be filed for every year. This exemption does not place any type of lien on the property, and just as with Clause 41D, the applicant must meet the state mandated requirements to be eligible. The Fiscal Year 2006 requirements are as follows:

- A. The applicant must have owned and occupied the property as their domicile for the last five years.
- B. The applicant must have reached **70** years of age on or before July 1<sup>st</sup> of the year for which the exemption is being applied.
- C. The whole estate of the applicant, excluding their domicile even if it is a two family home, which includes stocks, bonds, money market accounts, etc, may not exceed **\$53,889**
- D. . There is no income requirement for Clause 17E.

In order for any applicant to qualify for the exemption, all of the above requirements must be satisfied. Again, this exemption is available to individuals who have placed their homes in life estates, or when the property is in a trust, and the applicant has been designated as the primary beneficiary of the trust. Again, a copy of the applicants' birth certificate must accompany the first application and a copy of the recorded Trust document if applicable. The amount of the exemption changes each year based upon the Consumer Price Index as determined by the Massachusetts Department of Revenue. This annual increase, which is absorbed by the City's overlay, was approved by the City Council and

Mayor for Fiscal Year 1998. The Council and Mayor also approved a 30% increase for all the exemptions for fiscal year 2007 and beyond.

## Clause 41A

### The Tax Deferment Clause

For Individuals who are age **65 and over**, Massachusetts' law allows them to defer their real estate taxes annually. They may defer any part or all of their annual real estate taxes, and may do so until the total amount deferred reaches 50% of the value of the property. The requirements are as follows:

- A: The applicant must have owned and occupied or owned property in the Commonwealth for the last 5 years.
- B: The applicant must be **65** years or older, on or before the July 1<sup>st</sup> of the Fiscal Year of the application, and the gross receipts from all sources may not exceed **\$20,000.00**.

Once the Board of Assessors has determined that an applicant meets the requirements, a tax deferral and recovery agreement is entered into which provides that the property cannot be sold or transferred unless the taxes that have been deferred have been paid back in full along with any interest which may have accrued. Interest is charged at eight (8) per cent a year on the total deferred balance. Once the agreement is signed by all parties which have ownership in the property, a lien is filed in the Registry of Deeds, which alludes to the agreement, and which must be satisfied upon either the demise of the applicant, or before any subsequent transfer of the property. Again, the applicant must own the property, have life estate, or as in the case of a Realty Trust, must be both a 50% or greater beneficiary of the Trust, and be a Trustee of the Trust.

## Widow/Widowers

## Exemption

The Widow/Widowers exemption is for individuals who have lost a spouse before July 1<sup>st</sup> of the year for which the exemption is applied. There is not age requirement for this exemption, however when the first application is made, if the deceased spouse's death is not on file with the Leominster City Clerk, a copy of the death certificate from the applicable community is required. Other requirements are as follows:

- A. Assets from all sources, (stock and bonds, IRAs, lump-sum pensions, bank deposits, vehicles, and any other property owned not used as the domicile) may not exceed **\$53,889.00**. The primary domicile's value is excluded if the property is classified less than a four family.

This year the amount of the exemption is **\$175.00-\$396.47**, and the amount is increased yearly by the amount of the Department of Revenue's stated yearly Consumer Price Index.

## OTHER EXEMPTIONS

There are other exemptions available to individuals who satisfy certain conditions. **A veteran with a VA certified service connected 10% or greater disability is entitled to a \$400.00-\$600.00 exemption.** Other veterans who meet certain State defined criteria can receive **\$1000-\$1500 if they are 100% certified** and unable to work or even a full exemption if they require special housing and are paraplegic. **Blind individuals who are certified as being legally blind by a physician or are registered with the Mass Commission of the Blind may receive an exemption of \$437.50-\$656.25**

These exemptions and their requirements for eligibility are all set up by the Commonwealth of Massachusetts. The City of Leominster grants them, and is subsequently partially reimbursed by the Commonwealth. Because state reimbursement is involved, the City must strictly adhere to the requirements as the State can at any time hold an audit of the exemptions, and will hold the City and the Board of Assessors accountable for any inaccuracies.

Now, there is a possibility that a couple could receive one of the elderly exemptions, as well as another personal type of exemption. The most common occurrence is both individuals are over 70 years of age, and the husband has been receiving a veteran's exemption. If the wife meets the requirements for either of the over 70 exemptions using the couple's income and whole estate, then the husband would receive his exemption, and the wife is entitled to either the **\$175.00-\$396.47** or **\$500.00-\$750.00** exemption as well.

The Board of Assessors, as a matter of practice, sends out the applications to all the previous year's recipients. First time applicants should come to the Assessor's Office to get the form and any pertinent information which will help the first time applicant in completing the application.

If you have any questions, please call the Assessors' Office at 534-7531 and we will try to assist you.

Respectfully  
Leominster Board of Assessors